



State of Delaware

Court Modernization Review Committee Meeting Minutes

This meeting was held on November 20, 2019, in conference room 219 of the Haslet Armory located at 122 Martin Luther King Jr. Blvd S, Dover, DE 19901.

Committee Members Represented or in Attendance:

Director Mike Jackson	Office of Management and Budget
Senator David Sokola	Co-chair, Joint Legislative Committee on the Capital Improvement Program
Senator Brian Pettyjohn	Delaware State Senate, minority party appointee
Representative Ron Gray	Delaware House of Representatives, minority party appointee
Mike Morton	Controller General
Chief Justice Collins Seitz, Jr.	Delaware Supreme Court
Chief Judge Michael Newell	Delaware Family Court
Tom McGonigle	Delaware Bar Association
Secretary Rick Geisenberger	Department of Finance

Committee Members Not Represented or in Attendance:

Rob Rider	Delaware Prosperity Partnership (attended by phone/not part of quorum)
Senator Quinton Johnson	Co-chair, Joint Finance Committee
Senator Harris McDowell	Co-chair, Joint Finance Committee
Representative Debra Heffernan	Co-chair, Joint Legislative Committee on the Capital Improvement Program

Others in Attendance:

Bill Lenihan	Nicole Alvarez	Geoff Stewart	Matt Bittle
Andy Lubin	Ellie Torres	Marcel Ham	Elmer Setting
Michael Svaby	Saul Hernandez	Laird Stabler	Eric Petersen
Nicole Polite	Evelyn Nestlerode	Jason Smith	
Stephanie Scola	Kyle Baranski	Dana Chant	

I. Call to order

Chief Judge Newell called to order the Court Modernization Review Committee at 2:02 P.M. on November 20, 2019.

II. Introductions

Chief Judge Newell asked the attendees to introduce themselves.

III. Approval of Minutes

A motion was made by Senator Pettyjohn and seconded by Mike Morton to approve the minutes from the meeting on October 29, 2019. The minutes were approved unanimously.

IV. Review Outline of Committee Findings

Written copies were circulated of an outline for the Committee Report and Findings. Time was provided for the committee to review the draft outline report.

There were additional questions and clarifications after reviewing the draft report of findings.

- When would this hit the state's books, will it be when you have an actual deal and agreement, or during the procurement process?
 - o It will obligate the state to make payments 3 years from the date of it signing, that would be when it would be considered on the books.
- If it is completed over a 5-year period would it affect the 5% rule?
 - o You can do this and not violate the 5% rule. They will see it as a greater share of indebtedness.
 - o Accounting rules say it doesn't hit the books until delivery, however will still need to defer to the bond council.
 - o Bond rating agencies see it as debt obligation, and they will be looking at our other obligations including OPEB.
- As a third option to the traditional financing or a P3, could it be financed through the bond bill and then would it fall within the 5% rule?
 - o Under a traditional approach it goes through architect and engineering and then it is funded over 2-3 years. You are committed to fund it when you book it. This is typically how new schools are funded.
 - o This would require a governance rule around it so that it would be required to stick with it through the 30 year time frame.
 - o This would be paying it through the bond bill but using the P3 mechanism.

The Chief Judge will transition the outline to a narrative Report and Findings to provide to the committee to review. The committee will need one additional meeting to finalize and vote on the Report and Findings. This meeting will be held on December 12 at 3:00 p.m. The committee will ask for an extension for the report submission until Mid-December as the original due date for the report is December 1, 2019.

V. Public Comment

There was no public comment.

VI. Adjournment

A motion to adjourn was made by Senator David Sokola and seconded by Mike Morton at 3:00 p.m.

Respectfully Submitted,

Ronda Ramsburg